



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

NEAL T. GOOCH
Insurance Commissioner

Insurance Department

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A Report on Utah's Health Insurance Market

The belief that health insurance companies are collecting excessive profits is not consistent with a report put out by the Utah State Insurance (Department), "2011 Health Insurance Market Report" (Report). The Department, under the direction of Commissioner Neal T. Gooch, has posted the report on its website and delivered it to the Legislature's Health and Human Services Interim Committee.

The Report collected data from commercial health insurance companies that sell comprehensive health insurance, otherwise known as major medical coverage. The data shows that for many years these insurers have been operating with conservative profit margins. In 2010, comprehensive health insurers had an average net income after expenses, of 2.43%. For ten years prior to that, from 2001 to 2010, their average annual net income after expenses, was 2.38%.

The Report indicates that in 2010 the average premium per member per month for major medical coverage was \$229. At the same time, the average claim losses per member per month for major medical coverage was \$193. The Report states that, "Over the last ten years, increases in premiums per member per month have averaged 7.2 percent per year, while increases in losses per member per month have averaged 7.1 percent per year."

Insurance Commissioner Gooch stated that overall, Utah's core commercial health insurers are financially solvent and have adequate reserves to cover health insurance claims.

Commercial health insurance companies are regulated by the Utah Insurance Department, a state agency. The main functions of the Department include assisting consumers with insurance related questions and complaints, making sure insurance licensees comply with insurance laws and rules and that insurance companies are financially solvent and able to cover insured claims.

The Summary and 2011 Health Insurance Market Report can be found on the Department's website at <http://insurance.utah.gov/docs/Health/2011HlthInsMktRpt12-11-2012.pdf>. Anyone with questions about the Report, or other insurance related issues, are welcome to call the Insurance Department at 801-538-3077 or email health.uid@utah.gov.

Please note: Agency hours are 8am-5pm, Monday-Friday.

The Utah Insurance Department is a State agency. Its mandate is to regulate insurance marketed and sold in Utah. Currently more than 90,000 agents, agencies, and insurers are licensed; domestic insurers are audited to verify financial stability and compliance with insurance laws; administrative action is taken against licensees found to be in violation of insurance laws; calls from consumers with questions or complaints are taken; and licensees and consumers are educated regarding insurance. For more information visit <http://www.insurance.utah.gov/> or call toll **free in-state @ 1-800-439-3805** or **locally @ 801-538-3077**.